

**SGX QUERY REGARDING THE COMPANY'S ANNOUNCEMENT DATED 7
DECEMBER 2015**

The Board of Directors (the "**Board**") of Swee Hong Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce the following in response to the query raised by Singapore Exchange Securities Trading Limited with respect to the Company's announcement dated 7 December 2015 relating to the disclaimer of opinion by the Auditors on the Group's financial statements for the financial year ended 30 June 2015:

SGX Query

For the Exchange's consideration under Rule 1303(3)(c) and noting the Independent Auditor's findings on "Going concern", please provide the following information:-

- (a) *the Board's opinion if the Company will be able to operate as going concern and basis for the Board's view.*

Company's response

The Board has assessed and is of the opinion that the Company will be able to operate as a going concern subject to:

- (i) the successful implementation of the Scheme of Arrangement between the Company and certain of its creditors (the "**Scheme**") which was approved by the High Court of the Republic of Singapore on 25 November 2015 and which took effect on 2 December 2015;
- (ii) the completion of the proposed disposal of the leasehold land and building known as Lot 2570L of Mukim 11 and marked as Private Lot A0020500 at Plot KR0309 Kranji Link Singapore for a consideration of S\$3,550,000 ("**Proposed Disposal**"). Details of the Proposed Disposal were announced via SGXNET on 8 October 2015; and
- (iii) the completion of the proposed placement to Singapore Infrastructure (Asia Pacific) Pte. Ltd. of new ordinary shares in the capital of the Company for an aggregate issue price of S\$8,025,000 ("**Proposed Placement**"). Details of the Proposed Placement were announcement via SGXNET on 24 November 2015.

The Company will use its best endeavours to ensure the successful implementation of the Scheme and the completion of the Proposed Disposal and Proposed Placement.

In addition, the Company is currently also conducting marketing activities in connection with the proposed sale of its office building located at 190A/190C Choa Chu Kang Avenue 1, Singapore 689466 ("**CCK Office**"). The successful completion

of such proposed sale of the CCK Office would generate further funds for the Group and the Scheme.

Upon the above measures and actions being successfully completed and/or implemented, the Company will be in a position to bid for potential new projects in the course of the next twelve months in order to generate further cash flow from its operations.

In addition, the Group has also implemented measures to tighten costs controls on its operating expenses in order to improve its cash flow situation.

(b) the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue.

Company's response

The Company's securities are currently under trading suspension. Notwithstanding this, the Board confirms that all material disclosures have been provided.

By Order of the Board

Ong Hock Leong
Managing Director

10 December 2015